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Valuations

There are many different reasons why you might need a valuation of a business property. You might need to establish the security for a loan. If you are thinking of buying, selling or renting a property, you might want an indication of the likely price. A valuation may be needed for incorporation in your accounts or in a prospectus and you may need a figure for insurance purposes.



Given the wide range of purposes that a valuation may be used for, it is a complex professional exercise and there is no such thing as a single valuation for a property, applicable for all purposes. Valuations are produced on different assumptions – and may come up with different answers – depending on their purpose.

For this reason a competent and impartial valuation is essential and RICS has a register of qualified, regulated valuers to assure the quality of valuations.

Why valuations are important

Valuations underpin nearly all financial decisions from home mortgages to major investment and corporate finance transactions.

Robust practice standards form the basis of high quality valuations. RICS is the world's leading organisation for valuation professionals and is respected by employers and clients the world over.

As a client of an RICS registered valuer, you should expect to receive the highest level of service from them.

What should I expect from an RICS valuation?

As a client you should expect the following level of service from your RICS registered valuer:

- **openness and transparency** – all RICS registered valuers are required to make full disclosure and avoid conflicts of interest
- **clear reporting** – RICS valuers are experts in their fields and provide clear reports based on diligent investigations, market commentary and analysis
- **International Valuation Standards** – all RICS valuers are regulated to International Valuation Standards
- **world class regulation** – firms that carry the strapline 'Regulated by RICS' are required to have appropriate levels of professional indemnity insurance and a complaints handling procedure.

What information will the valuer need?

Valuation is a professional opinion based on a range of physical, legal and financial information about the property and the market in which it sits. A basic rule of thumb is that the more information the valuer has the more accurate the valuation is likely to be. Many of these are obvious such as the basic measurements and locational details of the property. However the valuation also depends on information such as: a clear understanding of what is being valued (are plant and fixtures to be included?). Clarity on the purpose of the valuation: what leases – if any – are involved? Your chartered surveyor will set out the requirements.

What is not covered by a valuation?

A valuation is not a building survey. The valuer will take account of what he sees of the general condition of the building, but will not undertake a detailed investigation for defects.

May I use the results of a valuation as I like?

No. A valuation is produced for a specific client, a specific purpose and is based on specific assumptions. To use it in a different context could be misleading. You will need to agree with your valuer at the outset how the report is to be used.

How do I agree the valuation fee?

Fees will depend on the nature and scale of the work, so discuss this at the outset with your chartered surveyor, who is required to give you a written note of his or her fees in advance of the valuation. As qualified and experienced property professionals, chartered surveyors are bound by RICS global ethical standards. They are also required to carry professional indemnity insurance for your protection in the very unlikely event of negligence. Do remember that there is an inevitable element of opinion in any property valuation.

How do I contact an RICS registered valuer?

You can find your local RICS registered valuer by visiting [ricsfirms.com](https://www.ricsfirms.com)



Find a Surveyor in your area at [ricsfirms.com](https://www.ricsfirms.com)



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